

STANISLAUS COUNTY ECONOMIC FORECAST

Stanislaus County is located in the heart of the San Joaquin Valley, bordered by the Bay Area to the west and the Sierra Nevada Mountains to the east. Stanislaus County has a population of 527,000 people and a total of 170,000 wage and salary jobs. Most of the population, as well as the jobs, are located in Modesto, the county's largest city. The income per capita in Stanislaus County is \$35,434 and the average salary per worker is \$50,993.

Like the rest of the San Joaquin Valley, Stanislaus County is a large producer of agricultural goods. Its primary commodities are milk, almonds, and chickens, each generating more than \$200 million in output per year.

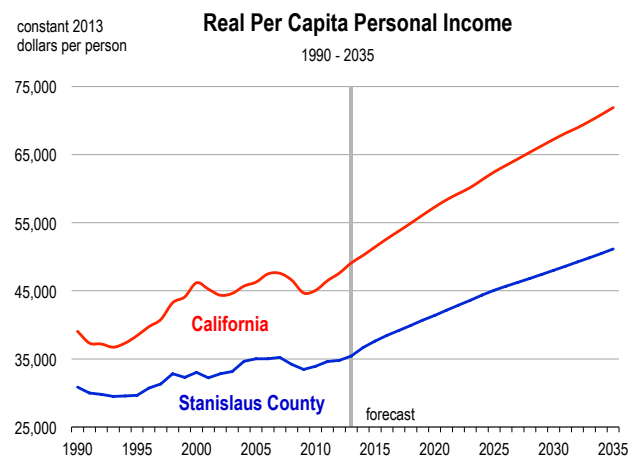
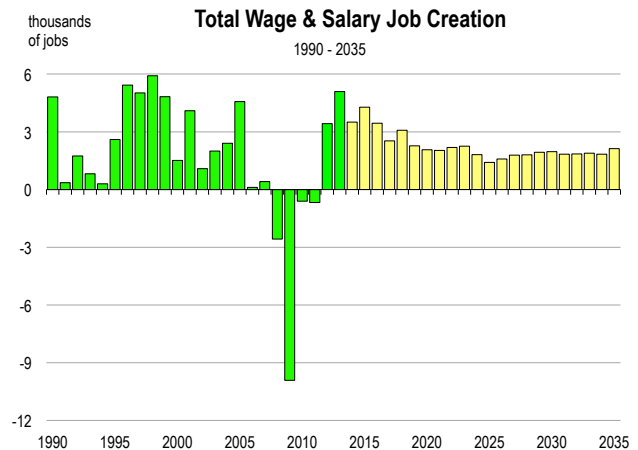
In 2013, employment across Northern California increased by 3.7 percent, whereas employment in the San Joaquin Valley (Fresno, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare counties) grew by 3.5 percent. In Stanislaus County, 5,100 total wage and salary jobs were gained, representing a growth rate of 3.1 percent. The unemployment rate remains high, but improved from 15.1 percent in 2012 to 13.0 percent in 2013.

In 2013, most sectors were characterized by positive job growth. The largest gains were observed in education and healthcare (+1,100 jobs) wholesale and retail trade (+990 jobs), leisure and hospitality (+830 jobs), construction (+650 jobs), and agriculture (+630 jobs). The only sector with significant declines was manufacturing (-100 jobs).

Between 2008 and 2013, the population of Stanislaus County increased at an average rate of 0.7 percent per year. This growth was due entirely to the natural increase (new births), as overall net migration was negative.

FORECAST HIGHLIGHTS

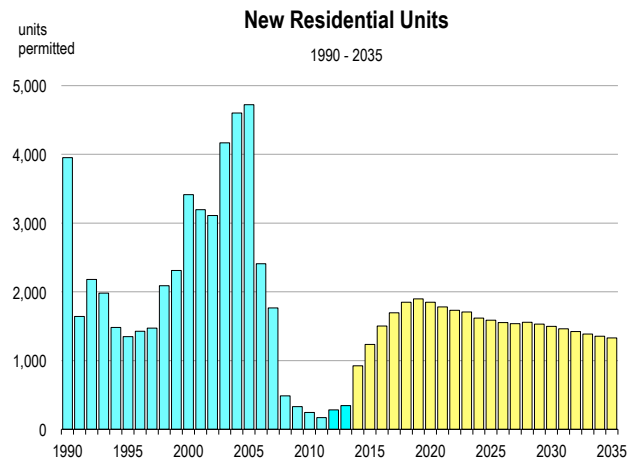
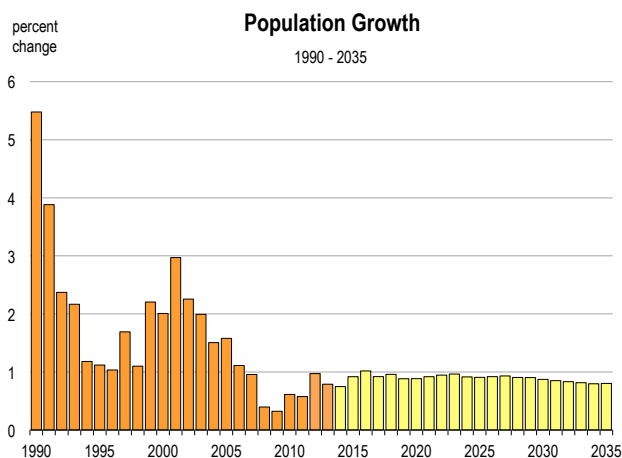
- In 2014, total wage and salary employment is expected to increase by 2.1 percent, while agricultural employment will increase by 0.5 percent. Between 2014 and 2019, total job growth will average 1.7 percent per year, while growth in agricultural employment will average 0.3 percent per year.
- Average salaries are currently well below the California state average, and will remain so over the forecast period. In Stanislaus County, inflation-adjusted salaries are expected to rise by an average of 1.1 percent per year between 2014 and 2019.
- Between 2014 and 2019, employment growth will be led by education and healthcare (+4,500 jobs), professional services (+3,200 jobs), wholesale and retail trade (+1,800 jobs), and leisure and hospitality (+1,700 jobs). Combined, these sectors will account for 72 percent of net job creation in the county.
- Over the the 2014-2019 period, population growth will average 0.9 percent per year.
- Between 2014 and 2019, an average of 1,300 net migrants will enter the county each year.
- Real income per capita is forecasted to rise by 3.5 percent in 2014. From 2014 to 2019, real income per capita is expected to increase by 2.1 percent per year.
- Total taxable sales, adjusted for inflation, are expected to increase by an average of 2.4 percent per year over the 2014-2019 period.
- Industrial production is forecasted to rise by 3.7 percent in 2014. From 2014 to 2019, the growth rate of industrial production is expected to average 3.1 percent per year.
- Farm production is forecasted to increase by 0.2 percent per year between 2014 and 2019. The principal commodities in the county are milk, almonds, and chickens.



Stanislaus County Economic Forecast

2006-2013 History, 2014-2040 Forecast

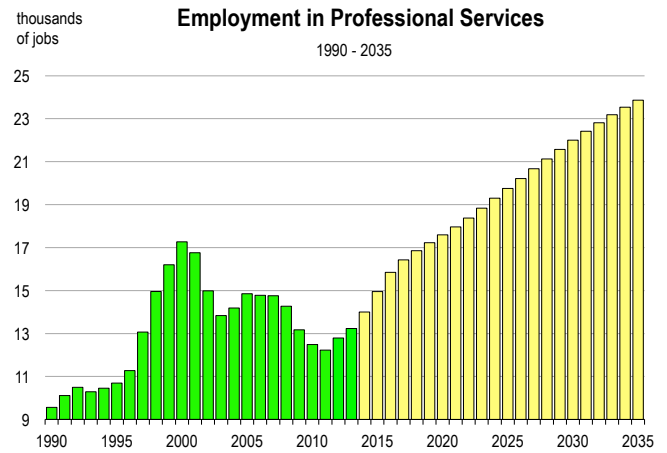
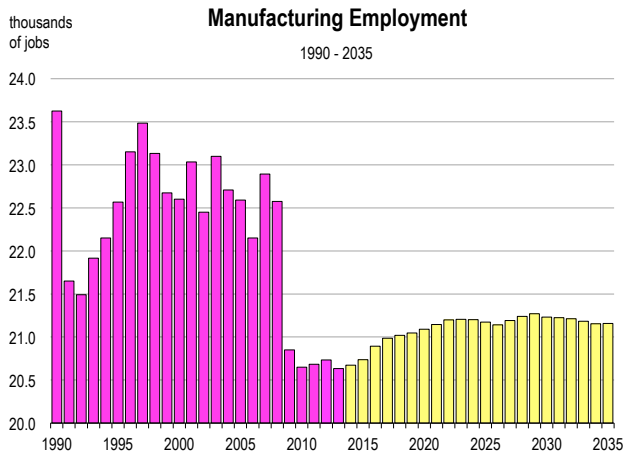
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (billions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	503,548	785	455	161.2	2,410	\$7.4	\$15.1	\$35,022	3.2	2.52	4.46	8.0
2007	508,372	-371	451	163.8	1,767	\$7.1	\$15.8	\$35,210	3.4	2.74	4.76	8.7
2008	510,396	-3,100	448	164.8	486	\$6.7	\$15.9	\$34,187	3.0	2.72	5.16	11.0
2009	512,052	-3,147	445	165.0	331	\$5.8	\$15.7	\$33,452	0.8	2.52	4.90	15.8
2010	515,194	-1,201	443	165.2	244	\$6.1	\$16.2	\$33,933	1.3	2.77	4.75	17.3
2011	518,161	-1,164	439	165.3	171	\$6.7	\$17.1	\$34,609	2.7	3.22	4.72	16.7
2012	523,197	1,042	439	165.4	283	\$7.2	\$17.8	\$34,789	2.7	3.35	5.06	15.1
2013	527,326	235	453	165.6	345	\$7.7	\$18.7	\$35,434	2.2	3.49	5.23	13.0
2014	531,271	297	458	166.3	924	\$8.0	\$20.0	\$36,671	2.7	3.50	5.42	10.8
2015	536,151	1,227	463	167.6	1,235	\$8.5	\$21.4	\$37,633	3.2	3.50	5.60	9.3
2016	541,604	1,751	470	169.1	1,503	\$9.0	\$22.8	\$38,467	3.1	3.51	5.77	7.9
2017	546,584	1,215	478	170.6	1,695	\$9.4	\$23.9	\$39,170	2.3	3.52	5.93	7.5
2018	551,825	1,383	485	172.5	1,849	\$9.9	\$25.2	\$39,929	2.2	3.53	6.11	7.4
2019	556,697	925	493	174.3	1,898	\$10.3	\$26.5	\$40,675	2.3	3.54	6.30	7.3
2020	561,622	897	500	176.2	1,849	\$10.7	\$27.8	\$41,393	2.3	3.53	6.50	7.3
2021	566,779	1,048	507	178.0	1,781	\$11.2	\$29.2	\$42,137	2.4	3.53	6.71	7.5
2022	572,137	1,181	514	179.8	1,732	\$11.6	\$30.8	\$42,880	2.5	3.54	6.92	7.4
2023	577,653	1,280	520	181.5	1,707	\$12.1	\$32.4	\$43,618	2.4	3.55	7.14	7.4
2024	582,936	1,021	524	183.2	1,618	\$12.6	\$34.1	\$44,372	2.4	3.57	7.34	7.4
2025	588,225	1,016	528	184.7	1,588	\$13.1	\$35.8	\$45,086	2.4	3.58	7.55	7.4
2026	593,632	1,138	532	186.3	1,553	\$13.6	\$37.5	\$45,690	2.4	3.58	7.76	7.4
2027	599,160	1,254	536	187.8	1,537	\$14.1	\$39.2	\$46,254	2.4	3.58	8.02	7.4
2028	604,583	1,157	541	189.3	1,557	\$14.8	\$41.0	\$46,827	2.4	3.59	8.30	7.3
2029	610,045	1,201	546	190.9	1,531	\$15.4	\$42.9	\$47,410	2.4	3.60	8.59	7.3
2030	615,366	1,067	551	192.4	1,498	\$16.1	\$44.9	\$48,012	2.4	3.59	8.87	7.3
2031	620,599	982	557	193.9	1,463	\$16.8	\$47.0	\$48,621	2.4	3.58	9.16	7.3
2032	625,765	912	563	195.4	1,423	\$17.6	\$49.1	\$49,232	2.4	3.60	9.47	7.3
2033	630,863	858	569	196.8	1,386	\$18.4	\$51.4	\$49,843	2.4	3.62	9.77	7.3
2034	635,886	825	574	198.2	1,355	\$19.3	\$53.7	\$50,468	2.4	3.63	10.09	7.2
2035	640,990	981	580	199.6	1,330	\$20.1	\$56.2	\$51,130	2.4	3.64	10.43	7.2
2036	646,047	1,019	586	201.0	1,306	\$21.0	\$58.7	\$51,810	2.4	3.66	10.79	7.1
2037	651,163	1,171	593	202.4	1,273	\$21.8	\$61.4	\$52,495	2.4	3.67	11.15	7.1
2038	656,174	1,171	600	203.7	1,241	\$22.7	\$64.3	\$53,200	2.4	3.65	11.51	7.0
2039	661,115	1,209	607	205.0	1,214	\$23.6	\$67.2	\$53,928	2.4	3.67	11.91	6.9
2040	665,853	1,107	614	206.3	1,184	\$24.5	\$70.3	\$54,675	2.4	3.68	12.46	6.9

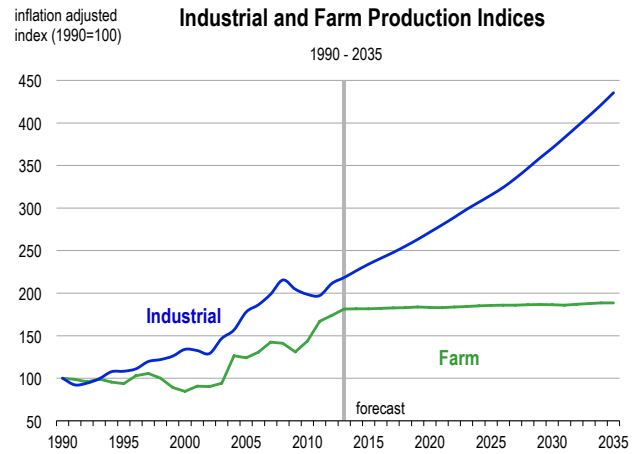
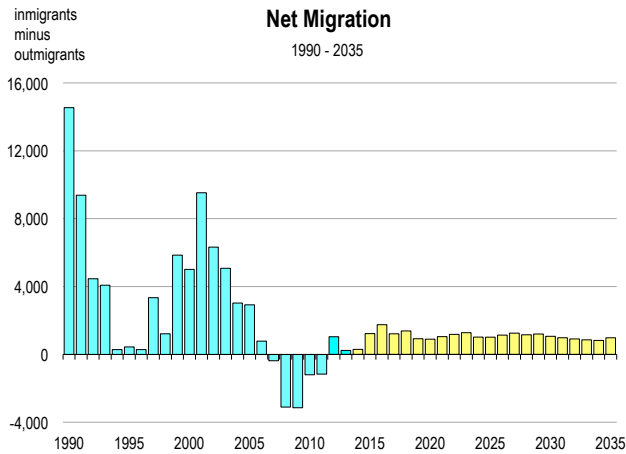
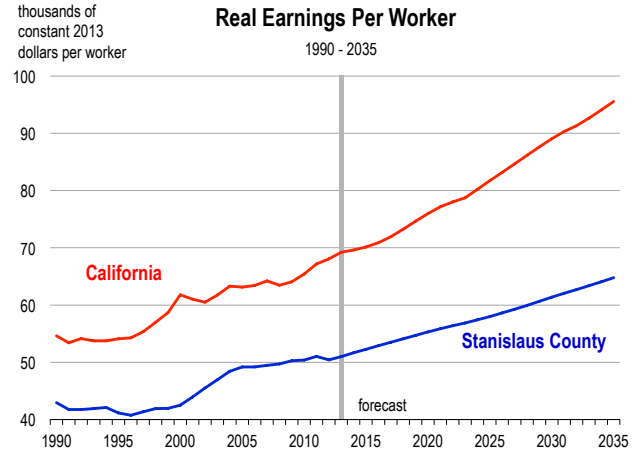
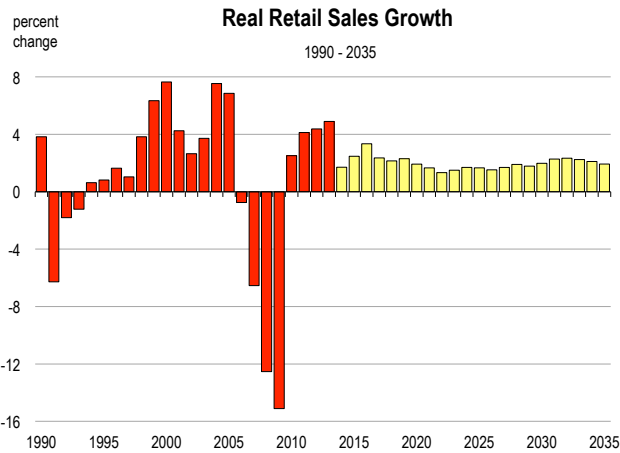


Stanislaus County Employment Forecast

2006-2013 History, 2014-2040 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	-----employment (thousands of jobs)-----											
2006	175.3	12.9	13.2	22.2	5.2	28.4	6.3	14.8	2.4	22.4	15.3	26.3
2007	175.7	12.9	11.2	22.9	5.6	28.1	6.2	14.8	2.3	23.8	15.4	26.5
2008	173.1	13.6	9.1	22.6	5.7	27.2	6.1	14.3	1.9	24.9	15.5	26.7
2009	163.2	12.9	6.6	20.9	5.7	25.6	5.6	13.2	1.3	25.7	14.7	25.8
2010	162.6	12.9	5.9	20.7	6.2	25.4	5.5	12.5	1.2	26.6	14.6	26.2
2011	161.9	12.9	5.8	20.7	6.4	25.8	5.4	12.2	1.1	26.7	14.5	25.7
2012	165.4	13.4	6.3	20.7	6.8	26.6	5.4	12.8	1.0	27.2	14.9	25.4
2013	170.4	14.0	6.9	20.6	7.2	27.6	5.4	13.2	0.9	28.3	15.7	25.5
2014	173.9	14.1	7.1	20.7	7.2	27.9	5.5	14.0	1.0	29.6	16.2	25.5
2015	178.2	14.1	7.8	20.7	7.3	28.3	5.5	15.0	1.0	30.6	16.6	26.0
2016	181.7	14.1	7.9	20.9	7.4	28.8	5.5	15.8	1.0	31.3	17.1	26.3
2017	184.2	14.1	7.7	21.0	7.4	29.1	5.5	16.4	1.1	32.2	17.5	26.5
2018	187.3	14.2	8.2	21.0	7.5	29.4	5.6	16.9	1.1	33.1	17.8	26.9
2019	189.6	14.2	8.4	21.0	7.6	29.7	5.6	17.2	1.1	34.1	17.9	26.9
2020	191.6	14.2	8.5	21.1	7.6	30.0	5.7	17.6	1.1	35.0	17.9	27.1
2021	193.7	14.2	8.7	21.1	7.7	30.2	5.8	18.0	1.1	35.8	17.8	27.3
2022	195.8	14.2	8.8	21.2	7.8	30.3	5.8	18.4	1.2	36.9	17.8	27.4
2023	198.1	14.3	9.1	21.2	7.8	30.5	5.9	18.8	1.2	37.8	17.7	27.6
2024	199.9	14.3	9.3	21.2	7.9	30.7	6.0	19.3	1.2	38.4	17.6	27.8
2025	201.3	14.3	9.1	21.2	8.0	31.0	5.9	19.8	1.2	38.9	17.6	28.0
2026	202.9	14.3	9.2	21.1	8.0	31.1	6.0	20.2	1.3	39.5	17.5	28.3
2027	204.7	14.3	9.2	21.2	8.1	31.4	6.0	20.7	1.3	40.1	17.5	28.5
2028	206.5	14.3	9.2	21.2	8.2	31.6	6.0	21.1	1.3	40.8	17.4	28.8
2029	208.4	14.3	9.3	21.3	8.2	31.8	6.0	21.6	1.3	41.5	17.3	29.0
2030	210.4	14.3	9.3	21.2	8.3	32.1	6.0	22.0	1.4	42.3	17.3	29.3
2031	212.2	14.3	9.3	21.2	8.4	32.4	6.0	22.4	1.4	43.1	17.2	29.6
2032	214.1	14.3	9.2	21.2	8.4	32.7	6.0	22.8	1.4	43.9	17.2	29.8
2033	216.0	14.3	9.3	21.2	8.5	32.9	6.0	23.2	1.5	44.7	17.1	30.1
2034	217.8	14.3	9.3	21.2	8.6	33.1	6.0	23.5	1.5	45.6	17.0	30.3
2035	219.9	14.3	9.4	21.2	8.6	33.3	5.9	23.9	1.5	46.6	17.0	30.6
2036	222.1	14.3	9.5	21.2	8.7	33.5	5.9	24.2	1.6	47.7	16.9	30.9
2037	224.1	14.3	9.6	21.2	8.8	33.7	6.0	24.5	1.6	48.7	16.9	31.2
2038	226.1	14.3	9.7	21.2	8.8	33.9	6.0	24.8	1.6	49.7	16.8	31.5
2039	228.1	14.3	9.7	21.2	8.9	34.0	6.0	25.2	1.6	50.6	16.7	31.8
2040	230.0	14.3	9.7	21.2	8.9	34.2	6.0	25.5	1.7	51.6	16.7	32.0





County Economic and Demographic Indicators

Projected Economic Growth (2014-2019)

Expected retail sales growth:	13.3%
Expected job growth:	9.0%
Fastest growing jobs sector:	Professional Services
Expected personal income growth:	16.3%

Expected population growth:	4.8%
Net migration to account for:	25.6%
Expected growth in number of vehicles:	7.7%

Demographics (2014)

Unemployment rate (April 2014):	12.3%
County rank* in California (58 counties):	51st
Working age (16-64) population:	64.0%

Population with B.A. degree or higher:	16.5%
Median home selling price (2013):	\$175,000
Median household income:	\$44,053

Quality of Life

Violent crime rate (2012):	549 per 100,000 persons
County rank* in California (58 counties):	46th
Average commute time to work (2014):	28.3 minutes

High school drop out rate (2012):	13.4%
Households at/below poverty line (2014):	17.7%

* The county ranked 1st corresponds to the lowest rate in California